Manitoba Energy, Science and Technology

Supplementary Information for Legislative Review

2003-2004 Departmental Expenditure Estimates

Manitoba

103-07138/

ENERGY, SCIENCE AND TECHNOLOGY

SUPPLEMENTARY INFORMATION

FOR

LEGISLATIVE REVIEW

2003-2004 EXPENDITURE ESTIMATES

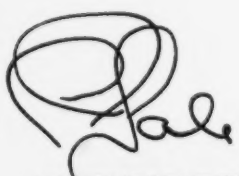
PREFACE

This document has been prepared by the Department of Energy, Science and Technology as a departmental supplement to its Printed Main Estimates. It is intended to provide background information on the department, which should complement the information contained in the Printed Main Estimates.

The contents of this supplement are organized into six parts:

- The first part provides an overview of the department's 2003/04 budget requirements.
- The second part provides program and financial information including details of staffing requirements and expenditures. Information is organized on the basis of existing main appropriations so that it will provide an easy cross reference to the Printed Main Estimates.
- The third part provides a five-year historical budget comparison of the Department of Energy, Science and Technology.
- The fourth part provides information relating to Capital Investments.
- The fifth part includes program and financial information relating to special operating agencies.
- The sixth part provides a standard glossary of terms.

This document has been developed to assist members of the Legislature in the review of the Printed Main Estimates. It is hoped that it will provide a meaningful information supplement and that it will meet the needs of the users of the information. I welcome feedback as to the usefulness of this supplementary information.



HONOURABLE TIM SALE
MINISTER OF ENERGY, SCIENCE AND TECHNOLOGY

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PART 1

DEPARTMENTAL OVERVIEW

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY

MINISTER

HONOURABLE TIM SALE

DEPUTY MINISTER

JOHN CLARKSON

ROLE AND MISSION

The department will build the capacity for Manitobans to prosper through innovation, by
- creating strategic partnerships,
- encouraging investment,
- enabling the right infrastructure, and access to it,
- promoting awareness and knowledge, and
- championing critical policy development.

FOCUS

The Department was established in recognition of the following:
- ***Innovation*** is key to future economic development and ***capacity to deliver*** government initiatives;
- ***Energy, science and technology*** are critical to the further development of the Manitoba economy;
- Government's need to ***focus*** economic development priorities; and
- ***Strengthen*** the approach to economic development.

The Department will:
- Focus provincial innovation activities;
- Assist in the growth and success of our science, research and technology assets;
- Strengthen, develop, grow and attract knowledge-based industries;
- Focus government information technology requirements;
- Build community based partnerships through connectivity;
- Focus government climate change implementation plans;
- Strategically develop Manitoba's energy resources, in co-operation with public and private sectors
- support innovation in communities and schools;
- link response to climate change with innovation and economic success;
- link government's own IT activities with innovation and economic development.

The Department will work collaboratively with business, individuals, government departments and communities to:
- strengthen their capacity to succeed;
- enhance the competencies they need to prosper;
- raise their profile locally, nationally and internationally; and
- foster an environment that supports sustainable economic growth.

Some of the immediate and short-term priorities for the Department are:

- The development of a comprehensive national implementation framework for the climate change initiatives;
- The communication and implementation of an Innovation Framework for Manitoba
- The approval of research funding through the Manitoba Innovations Fund for the current fiscal year;
- The development of a plan for the East West Hydro Grid;
- The implementation of an Ethanol mandate for the Province;
- The development of Broadband community based networks;
- Creation of the Manitoba Information and Communications Technologies Division bringing together the corporate ICT branches from across government;
- The development and implementation of a comprehensive business development strategy for the Biotechnology development.

To achieve its mission, the department is organized in 4 divisions:

ADMINISTRATION AND FINANCE DIVISION provides for the executive management of the department and central financial, administrative, human resources and computer support services to departmental programs.

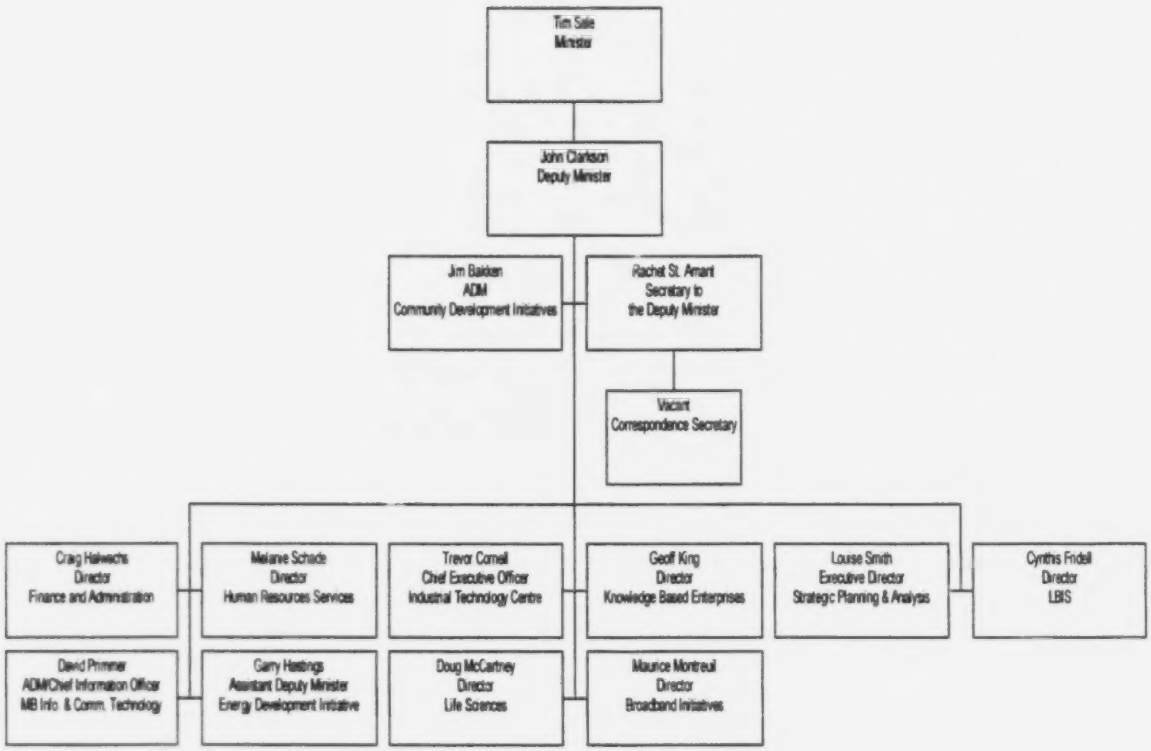
ENERGY DEVELOPMENT INITIATIVE develops and implements energy development and climate change initiatives, and economic development strategies involving hydro-electric resources and alternate energy development opportunities. Develops, monitors and coordinates the implementation of energy policies and climate change initiatives and related provincial programs.

SCIENCE, INNOVATION & BUSINESS DEVELOPMENT functions as the government's primary focus for business development services to industry and communities in the areas of life sciences, knowledge enterprises, technology and infrastructure to support economic growth and stimulate employment. Oversees the implementation of the Manitoba Centres of Excellence fund and the Manitoba Research and Innovation Fund; provides a coordinating function for all research, innovation, science and technology initiatives in government; provides funding for health research initiatives; develops, analyzes and communicates policies related to telecommunications; develops strategic plans, business plans and provides research, analysis and evaluation services.

MANITOBA INFORMATION & COMMUNICATION TECHNOLOGY develops a comprehensive e-strategy for the province building on strengths in business, education and government community; develops key Information and Communication Technology (ICT) strategies, policies, standards and business processes to optimize the delivery of core ICT functions in support of service delivery goals; provides an information and communication technology environment within government where appropriate technologies are fully integrated with service delivery requirements; and provides analytical framework for review and approval of all ICT plans, projects and expenditures.

SCHEDULE 1

ENERGY, SCIENCE AND TECHNOLOGY
ORGANIZATION CHART
EFFECTIVE APRIL 1, 2003



SCHEDULE 2

STATUTORY RESPONSIBILITIES OF THE MINISTER

OF ENERGY, SCIENCE AND TECHNOLOGY

	Continuing Consolidation Chapter
The Gaming Control Act	G 5
The Gaming Control Local Option (VLT) Act	G 7
The Economic Innovation and Technology Council Act	E 7
The Energy Act	E 112
The Manitoba Health Research Council Act	H 28
The Manitoba Hydro Act	H 190

As per Schedule "G", Order-In-Council 419/2002, and
As per Schedule "Q", Order-In-Council 419/2002

SCHEDULE 3

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
EXPENDITURE SUMMARY
BY MAIN APPROPRIATION

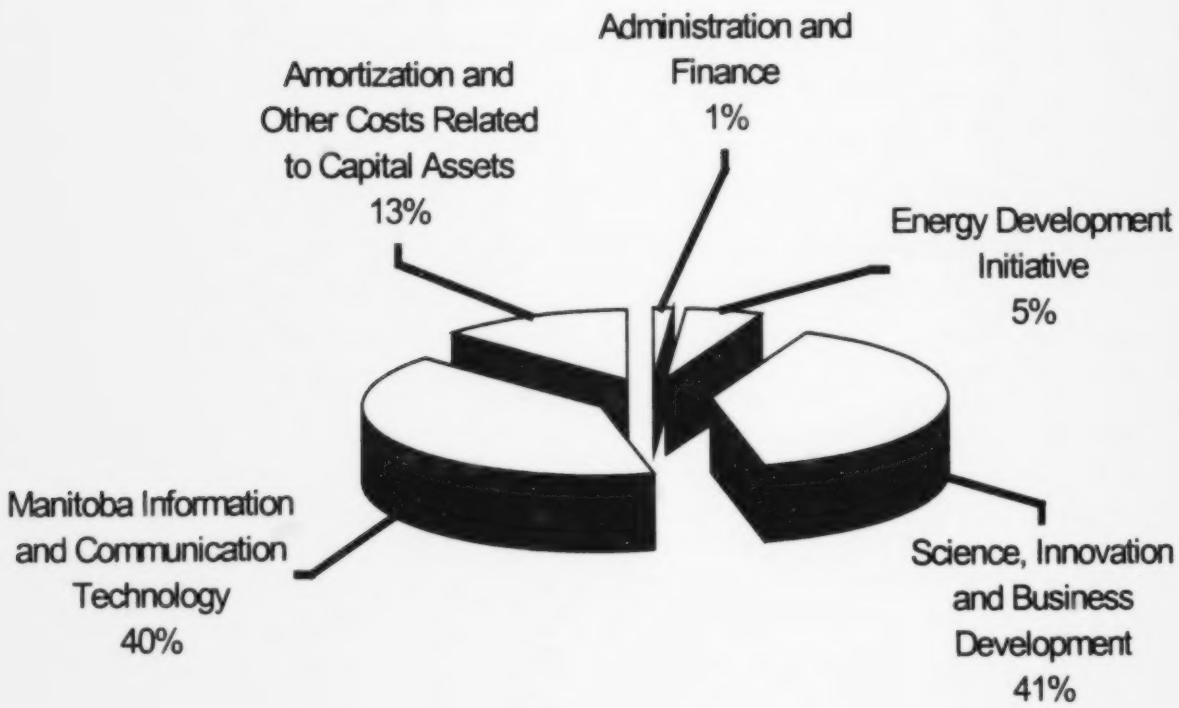
		Estimates of Expenditure 2003/2004 $(000's)	Change From 2002/2003 %	Estimates of Expenditure 2002/2003 (adjusted) $(000's)
1.	Administration and Finance	**606.6**	38.7	437.5
2.	Energy Development Initiative	**2,292.4**	27.8	1,793.9
3.	Science, Innovation & Business Development	**17,556.9**	7.8	16,281.5
4.	Manitoba Information and Communication Technology	**17,799.8**	3.1	17,262.2
5.	Amortization and Other Costs related to Capital Assets	**5,773.1**	(16.0)	6,870.2
TOTAL FOR ENERGY, SCIENCE AND TECHNOLOGY		**44,028.8**	3.2	**42,645.3**

Reconciliation Statement
$ (000's)

Printed Estimates of Expenditure 2002/03	$ -
Transfer of functions from:	
- Conservation	563.7
- Education & Youth	445.8
- Finance	12,493.7
- Health	1,752.6
- Industry, Trade and Mines	15,780.0
- Transportation and Government Services	4,739.3
Allocation of functions from:	
- Finance	3,994.2
- Industry, Trade and Mines	79.3
- Transportation and Government Services	2,796.7
Estimates of Expenditure 2002/03 (Adjusted)	$42,645.3

SCHEDULE 4

2003/04 Main Estimates of Expenditure
Percentage Distribution by Operating Division


Administration and Finance 1%
Amortization and Other Costs Related to Capital Assets 13%
Energy Development Initiative 5%
Manitoba Information and Communication Technology 40%
Science, Innovation and Business Development 41%

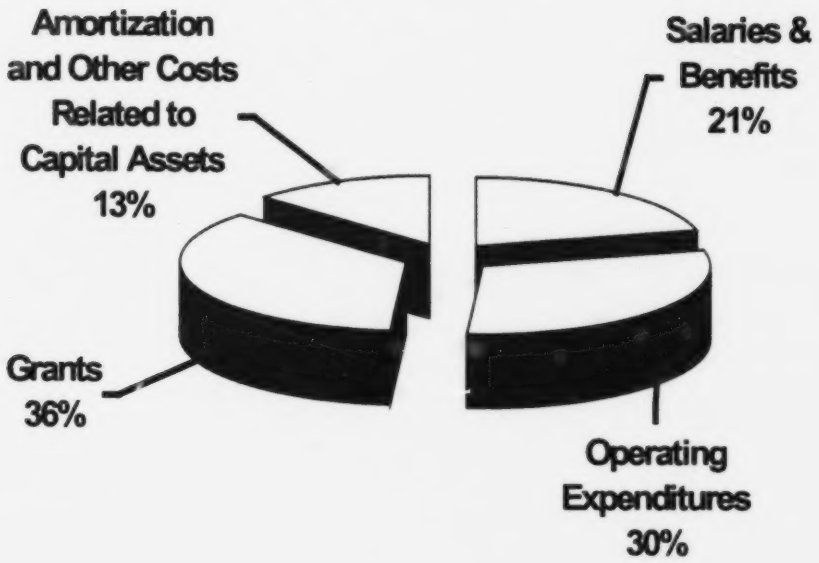
SCHEDULE 5

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
EXPENDITURE SUMMARY
BY SALARIES & EMPLOYEE BENEFITS,
OPERATING, GRANTS AND AMORTIZATION OF CAPITAL ASSETS

	ESTIMATES OF EXPENDITURE 2003/2004 $(000's)	ESTIMATES OF EXPENDITURE 2002/2003 (adjusted) $(000's)
SALARIES & EMPLOYEE BENEFITS (details on Schedule 8)	**9,337.4**	8,736.8
OTHER EXPENDITURES	**18,994.9**	19,435.8
GRANT ASSISTANCE		
Climate Change Grant Assistance	**14.3**	14.3
Industrial Technology Centre	**750.0**	750.0
Manitoba Education, Research and Learning Information Networks	**445.8**	445.8
Manitoba Centres of Excellence Fund	**483.8**	410.0
Manitoba Health Research Council	**1,752.6**	1,752.6
Manitoba Research and Innovation Fund	**12,250.0**	11,100.0
TOTAL	**44,028.5**	42,645.3

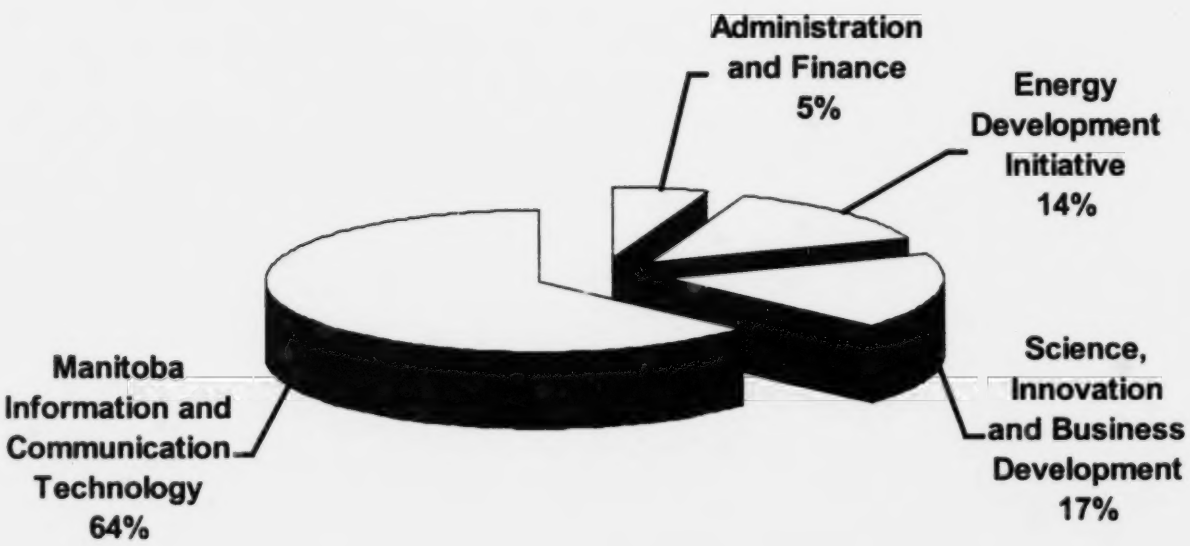
SCHEDULE 6

2003/04 Percentage Distribution of Expenditures By Salaries & Employee Benefits, Operating, Grants & Amortization of Capital Assets



SCHEDULE 7

2002/03 Staff Year Summary
Percentage Distribution of Full Time Equivalents
By Operating Division


Administration and Finance 5%
Energy Development Initiative 14%
Science, Innovation and Business Development 17%
Manitoba Information and Communication Technology 64%

SCHEDULE 8

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
FULL-TIME EQUIVALENT SUMMARY
BY APPROPRIATION

RES. NO.	APP. NO.	DIVISION/BRANCH	ESTIMATES OF EXPENDITURE 2003/2004 $(000's) FTE	SALARIES	ESTIMATES OF EXPENDITURE 2002/2003 (adjusted) $(000's) FTE	SALARIES
18-1	18-1	**ADMINISTRATION AND FINANCE**				
	18-1A	Minister's Salary	**1.00**	**29.0**	1.00	28.4
	18-1B	Executive Support	**6.00**	**344.6**	6.00	361.4
	18-1C	Financial & Administrative Services	-	-	-	-
		TOTAL	**7.00**	**373.6**	7.00	389.8
18-2	18-2	**ENERGY DEVELOPMENT INITIATIVE**				
	18-2A	Energy Development Initiative	**11.00**	**813.8**	11.00	756.6
	18-2B	Climate Change	**7.00**	**416.3**	7.00	404.2
	18-2C	Energy & Climate Change Initiatives	-	-	-	-
		TOTAL	**18.00**	**1,230.1**	18.00	1,160.8
18-3	18-3	**SCIENCE, INNOVATION & BUSINESS DEVELOPMENT**				
	18-3A	Science, Innovation & Business Development	**22.00**	**1,514.4**	22.00	1,457.9
	18-3B	Industrial Technology Centre	-	-	-	-
	18-3C	MB Health Research Council	-	-	-	-
		TOTAL	**22.00**	**1,514.4**	22.00	1,457.9
18-4	18-4	**MANITOBA INFORMATION & COMMUNICATION TECHNOLOGY**				
	18-4A	eManitoba Secretariat	**7.00**	**502.5**	7.00	444.7
	18-4B	Information & Communication Technology Policy	**20.00**	**1,437.1**	20.00	1,373.5
	18-4C	Information & Communication Technology Service Delivery	**54.12**	**3,472.2**	54.12	3,112.7
	18-4D	Legislative Building Information Systems	**13.00**	**807.5**	13.00	797.4
	18-4E	Manitoba Education, Research & Learning Information Networks	-	-	-	-
		TOTAL	**94.12**	**6,219.3**	94.12	5,728.3
18	**TOTAL FOR ENERGY, SCIENCE & TECHNOLOGY**		**141.12**	**9,337.4**	141.12	8,736.8

All salary figures, with the exception of the Minister's, include employee benefits as defined in the glossary.

SCHEDULE 9

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
FULL-TIME EQUIVALENT SUMMARY 2003-2004
BY STAFF CATEGORY

DIVISION	STAFF CATEGORIES							
	MANAGERIAL		PROFESSIONAL/ TECHNICAL		ADMINISTRATIVE SUPPORT		TOTAL	
	FTE	$000S	FTE	$000S	FTE	$000S	FTE	$000S
Administration & Finance	2.00	138.5	2.00	98.8	3.00	112.8	7.00	350.1
Energy Development Initiative	4.00	331.4	12.00	749.6	2.00	73.0	18.00	1,154.0
Science, Innovation & Business Development	4.00	288.9	15.00	1,024.1	3.00	108.5	22.00	1,421.5
Manitoba Information & Communication Technology	5.00	439.2	73.12	4,879.6	16.00	580.6	94.12	5,899.5
TOTAL	15.00	1,198.0	102.12	6,752.1	24.00	874.9	141.12	8,825.1

Explanation 1. Reconciliation of Salary Amounts

Total Salary Costs per above	8,825.1
Add: Employee Benefits	975.5
Less: Staff Turnover	(463.2)
Net Salary Costs per Schedule 8	**$ 9,337.4**

PART 2

PROGRAM AND FINANCIAL INFORMATION

Res. No.	Approp. No.	ENERGY, SCIENCE and TECHNOLOGY (18) Details of Appropriation	**Estimates of Expenditure 2003/2004** **$(000's)**	Estimates of Expenditure 2002/2003 (adjusted) $(000's)
18.1	1.	**ADMINISTRATION AND FINANCE**	**606.6**	437.5
		Provides for the department executive management, department planning and policy direction.		
		Provides central financial, administrative, human resource and computer support services to the department.		
		a) Minister's Salary	**29.0**	28.4
		b) Executive Support	**427.6**	409.1
		c) Financial and Administrative Services	**150.0**	0.0
			606.6	437.5

SUB-APPROPRIATIONS 18 - 1A AND 18 - 1B
MINISTER'S SALARY AND EXECUTIVE SUPPORT

OBJECTIVES:

To oversee the development and implementation of departmental policies and programs that are designed to achieve the priorities set out in the Department's mission statement.

To carry out the policy decisions of the government and manage the activities of the department.

ACTIVITY IDENTIFICATION:

Activities are targeted to effectively position the Department to aid Manitobans to prosper in the global, information-based economy. These activities include:

- leading and coordinating the decision-making process in the formulation, interpretation, implementation and monitoring of government policies and programs;
- ensuring that government policies are appropriately formulated, interpreted, implemented and monitored;
- providing overall policy direction for departmental programs;
- providing administrative assistance to the Minister's office.

EXPECTED RESULTS:

Effective operation of the Department of Energy, Science and Technology as reflected in the results of each branch within the department.

Effective and efficient administrative support to the offices of the Minister and Deputy Minister.

SUB-APPROPRIATION 18 - 1A
MINISTER'S SALARY

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES				
Managerial	**1.00**	**29.0**	1.00	28.4
Total Salaries	**1.00**	**29.0**[1]	1.00	28.4

1. Net increase of $0.6 was allocated for Minister's salaries to provide for the annual cost of living included in the Decisions of the Indemnities and Allowances Commission.

SUB-APPROPRIATION 18 - 1B
EXECUTIVE SUPPORT

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	**1.00**	**109.5**	1.00	103.2
Professional/Technical	**2.00**	**98.8**	2.00	98.0
Administrative Support	**3.00**	**112.8**	3.00	117.7
Employee Benefits		**40.4**		42.5
	6.00	**361.5**	6.00	416.2
Less: Allowance for Staff Turnover		**(16.9)**		-
Total Salaries and Employee Benefits	**6.00**	**344.6**[1]	6.00	361.4
OTHER EXPENDITURES				
Transportation		**20.0**		5.0
Communications		**8.0**		8.0
Supplies and Services		**23.0**		18.0
Other Operating		**32.0**		16.7
Total Other Expenditures		**83.0**[2]		47.7
TOTAL SUB-APPROPRIATION	**6.00**	**427.6**	6.00	409.1

1. Net decrease a result of ($2.8) in normal salary adjustments and ($16.9) in staff turnover adjustments, offset by $2.9 in salary accrual adjustments.
2. Increase a result of anticipated travel related and general operating costs.

SUB-APPROPRIATION 18 - 1C
FINANCIAL AND ADMINISTRATIVE SERVICES

OBJECTIVES:

The following objectives are In support of the departments of Energy, Science and Technology and Industry, Trade and Mines and related agencies:

- to provide high quality, timely and customer responsive administrative, financial management, computer and personnel services;
- to develop and administer appropriate administrative and financial standards, policies and procedures;
- to develop and maintain appropriate reporting systems to provide timely and accurate decision-making information to senior management in the Departments and in central agencies;
- to provide leadership, program direction and operational coordination to support department activities.

ACTIVITY IDENTIFICATION:

The Financial and Administrative Services Branch provides services to the departments of Energy, Science and Technology and Industry, Trade and Mines and related agencies. The Branch provides financial management, administrative, computer and human resource services including:

- processing of revenue and expenditure transactions;
- monitoring and control of expenditures, preparation of cash flow projections and the provision of financial analysis and advice as required;
- administration of loan programs and other agreements;
- coordination of requests for office accommodation and office equipment and services;
- provide timely and accurate information to senior decision-makers in the department and in central agencies;
- coordinate the department records management activities;
- develop and apply appropriate administrative and financial standards, policies and procedures including;
    - the preparation of the annual estimates package, the estimates supplement and the annual report;
    - the provision of computer application software solutions to a variety of business problems, evaluation and acquisition of computer equipment;
    - the provision of personnel services, including recruitment and selection; job evaluation, human resource planning, performance management, payroll, benefits and records, and coordination of affirmative action training and development and workplace, safety and health;
    - French Language Services Policy, and the departmental administration of the Freedom of Information Act and Protection of Privacy Act.

EXPECTED RESULTS:

- Departmental policies and systems are implemented and programs delivered efficiently and effectively.
- Administrative support services are responsive to departmental and client needs and are within government policy.
- Timely preparation of management reports on matters relating to financial, personnel, computer systems and operational support services.

ADMINISTRATION AND FINANCE

- Timely and efficient representation of the department in responding to central agencies.
- Efficient response, within 30 days, to all applications under the Freedom of Information and Protection of Privacy Act - approximately 60 annually (EST & ITM).
- Payment/revenue transactions are accurately processed.
- Authority-seeking documents are accurately processed.
- Human Resource activities for approximately 381 staff (EST - 141 & ITM - 240) are carried out in accordance with The Civil Service Act, Manitoba Government Employee Union Master Agreement, Manitoba labour laws and Workplace Safety and Health.
- Reports are released by legislative deadline date (Departmental Annual Report tabled or released by September 30).

SUB-APPROPRIATION 18 - 1C
FINANCIAL AND ADMINISTRATIVE SERVICES

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES		**150.0**		-
TOTAL SUB-APPROPRIATION		**150.0**[1]		-

1. Recoverable to Industry, Trade and Mines related to shared Financial and Administrative Services function provided to Energy, Science and Technology.

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2003/2004** **$(000's)**	Estimates of Expenditure 2002/2003 (adjusted) $(000's)
18.2	2.	**ENERGY DEVELOPMENT INITIATIVE**	**2,292.4**	1,793.9
		Develops and implements energy development initiatives, climate change initiatives and economic development strategies involving hydro-electric resources and alternate energy development opportunities. Includes developing, monitoring and coordinating the implementation of energy and climate change policies and initiatives and related provincial programs.		
		a) Energy Development Initiative	**1,316.6**	1,230.2
		b) Climate Change	**575.8**	563.7
		c) Energy and Climate Change Initiatives	**400.0**	-
			2,292.4	1,793.9

SUB-APPROPRIATION 18 – 2A
ENERGY DEVELOPMENT INITIATIVE

OBJECTIVES:

To develop and co-ordinate the implementation of government-wide renewable energy policies.

To develop and implement government-wide economic development strategies encompassing Manitoba hydro-electric resources and alternative energy development opportunities.

ACTIVITY IDENTIFICATION:

Energy Policy

The Energy Policy Branch is responsible for developing broad government energy policies that will establish a framework for sustainable energy economic development and programs that contribute to the reduction of greenhouse gases. Specific activities include:

- co-ordinating development of broad provincial energy policy and small renewables policy, including ethanol, bio-diesel, wind, micro hydro and energy efficiency;
- representing government on all federal/provincial energy initiatives;
- assessing and implementing energy related provincial Climate Change Initiatives;
- providing government input into new Manitoba Hydro infrastructure (generation and transmission).

Energy Economic Development

The Energy Economic Development Branch is responsible for promoting existing energy sources and helping to develop emerging renewable energy sources for sustainable and environmentally responsible economic growth in Manitoba. The Branch partners closely with Manitoba Hydro in carrying out its responsibilities. Specific activities include:

- investment attraction including participating in various industry sector trade shows, implementing advertising/promotional campaigns, company visits and working with companies on their site location activities;
- developing and implementing renewable/alternative energy (eg. hydrogen, ethanol, wind, etc.) economic development strategies;
- assessing and developing energy related programs for the retention/expansion of existing Manitoba companies;
- acting as main government liaison with Manitoba Hydro on energy economic development.

SUB-APPROPRIATION 18 – 2A
ENERGY DEVELOPMENT INITIATIVE

EXPECTED RESULTS:

Energy Policy

- An evaluation of a wind monitoring program.
- A preliminary evaluation of Bio-digestor operation.
- Legislation to mandate Ethanol.
- A research and development program into Ethanol co-products.
- A preliminary evaluation of the viability of bio-diesel fuel.
- A plan for new energy efficiency tools.

Energy Economic Development

- Increased profile for Manitoba by using the Province's energy advantages as key investment incentives.
- Increased industrial investment in Manitoba.
- Continuous implementation of renewable/alternate energy economic development strategies for ethanol, wind and hydrogen.
- Plans for the construction of new ethanol production capacity in the province.
- Strategies for developing wind farms in Manitoba.
- Results from the Hydrogen Opportunities Report.
- Recommendations for energy related retention/expansion study.

SUB-APPROPRIATION 18 – 2A
ENERGY DEVELOPMENT INITIATIVE

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	**3.00**	**247.6**	3.00	221.7
Professional/Technical	**7.00**	**481.8**	7.00	459.2
Administrative Support	**1.00**	**34.5**	1.00	33.7
Employee Benefits		**85.6**		74.5
		849.5		789.1
Less: Allowance for Staff Turnover	**11.00**	**(35.7)**	11.00	(32.5)
Total Salaries and Employee Benefits	**11.00**	**813.8**[1]	11.00	756.6
OTHER EXPENDITURES				
Transportation		**26.3**		26.3
Communications		**81.4**		83.3
Supplies and Services		**300.6**		277.5
Other Operating		**74.5**		66.5
Minor Capital		**20.0**		20.0
Total Other Expenditures		**502.8**[2]		473.6
TOTAL SUB-APPROPRIATION	**11.00**	**1,316.6**	11.00	1,230.2

1. Net increase the result of $57.1 in normal salary adjustments and $3.3 in salary accrual adjustments, offset by ($3.2) in staff turnover adjustments.
2. Net increase due to a $23.1 increase in ACRS (lease space) adjustment and a $8.0 increase in Desktop Management, offset by a ($1.9) discretionary operating reduction.

SUB-APPROPRIATION 18 – 2B
CLIMATE CHANGE

OBJECTIVES:

- To act as a champion and catalyst both within the government and across the province to raise awareness and promote action on advancing our understanding of climate change impacts and adaptation as well as reducing greenhouse gas emissions.

- To advocate on behalf of Manitoba in work related to the United Nations Framework Convention on Climate Change and implementation of the Kyoto Protocol.

- To develop programs and policies that assist citizens, organizations and businesses seize opportunities to take action on climate change and enhance their quality of life and benefit Manitoba's economy.

ACTIVITY IDENTIFICATION:

- Promote and administer the Manitoba Climate Change Action Fund.
- Collaborate with provincial departments, agencies and committees responsible for management and procurement of assets and services to support their actions to inventory and reduce provincial government greenhouse gas emissions.
- Work collaboratively with citizen and stakeholders to enhance knowledge and plan actions related to climate change
- Advocate in relevant form and assist in the development of an effective federal Kyoto implementation plan.
- Promote climate change education and outreach.
- Implement a strategy to encourage citizens to make greenhouse gas emission reduction plans and monitor and celebrate success.

EXPECTED RESULTS:

- Provide grants to support practical, Manitoba-based actions to develop innovative ways to reduce greenhouse gas emissions and to adapt to the challenges and opportunities caused by climate change.
- A preliminary implementation plan for greenhouse gas emission reduction for government operations.
- Increased citizen and stakeholder participation in consultation efforts throughout Manitoba.
- Successful negotiation of a bi-lateral framework agreement on climate change.

ENERGY DEVELOPMENT INITIATIVE

SUB-APPROPRIATION 18 – 2B
CLIMATE CHANGE

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	**1.00**	**83.8**	1.00	83.1
Professional/Technical	**5.00**	**267.8**	5.00	263.6
Administrative Support	**1.00**	**38.5**	1.00	34.4
Employee Benefits		**45.0**		41.9
		435.1		423.0
Less: Allowance for Staff Turnover	**7.00**	**(18.8)**	7.00	(18.8)
Total Salaries and Employee Benefits	**7.00**	**416.3**[1]	7.00	404.2
OTHER EXPENDITURES				
Grants/Transfer Payments		**14.3**		14.3
Transportation		**7.0**		7.0
Communications		**22.0**		22.0
Supplies and Services		**85.0**		85.0
Other Operating		**31.2**		31.2
Total Other Expenditures		**159.5**		159.5
TOTAL SUB-APPROPRIATION 18-2B	**7.00**	**575.8**	7.00	563.7

1. Net increase due to a $8.8 normal salary adjustment and $3.3 in salary accrual adjustments.

SUB-APPROPRIATION 18 - 2C
ENERGY AND CLIMATE CHANGE INITIATIVES

OBJECTIVES:

- To provide for analysis of energy and climate change initiatives on the Manitoba economy.

ACTIVITY IDENTIFICATION:

- Prepare analysis of energy and climate change initiatives on the Manitoba economy.

EXPECTED RESULTS:

- Analysis of energy and climate change initiatives on the Manitoba economy.

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES				
Energy and Climate Change Initiatives		**400.0**		-
TOTAL SUB-APPROPRIATION 18 - 2C		**400.0**		-

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2003/2004 $(000's)**	Estimates of Expenditure 2002/2003 (adjusted) $(000's)
18.3	3.	**SCIENCE, INNOVATION & BUSINESS DEVELOPMENT**	**17,556.9**	16,281.5

Functions as the government's primary focus for business development services to industry and communities in the areas of life sciences, knowledge enterprises, technology and infrastructure to support economic growth and stimulate employment.

Develops strategic plans, business plans and provides research, analysis and evaluation services. Develops, analyzes and communicates policies related to telecommunications. Oversees the implementation of the Manitoba Centres of Excellence Fund and the Manitoba Research and Innovation Fund. Provides a coordinating function for all research, innovation, science and technology initiatives in government.

Facilitates economic development in Manitoba through the provision of industrial technology services.

Provides funding for health research initiatives.

a) Science, Innovation and Business Development	**15,054.3**	13,778.9
b) Industrial Technology Centre	**750.0**	750.0
c) Manitoba Health Research Council	**1,752.6**	1,752.6
	17,556.9	16,281.5

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION & BUSINESS DEVELOPMENT

OBJECTIVES:

Science, Innovation and Business Development (SIBD) was formed as a result of the creation of the new Energy, Science and Technology department in the Fall of 2002. The main focus of the new group is to provide Manitoba with a comprehensive, integrated and coordinated approach to innovation, research and technology initiatives including:

- research, innovation and technology policy development and coordination;
- knowledge based industry development and growth;
- building Manitoba's life Sciences presence;
- smart community development; and
- extending broadband access to all of Manitoba.

SIBD's mission is *to promote and enhance a climate of research, innovation and technology development that spurs responsible economic development for the benefit of all Manitobans.* Its objectives are to:

- develop public policy initiatives in support of research, innovation and technology development.
- develop a provincial innovation infrastructure;
- build and strengthen the research and innovation capacity within the province;
- build community capacity for sustained economic development in the new economy;
- build the capacity for new company formation, attraction and growth;
- coordinate the implementation of public policy initiatives in the areas of research, information technologies, and investments.

Strategic Planning and Analysis

Strategic Planning and Analysis provides policy and research support to the Department and is the lead across government on the development and implementation of policy, strategies and initiatives on innovation, science and research issues. Strategic Planning and Analysis also provides a central role for the Department of Energy, Science and Technology in areas of strategic and operational planning and organizational development.

Knowledge Based Business Development

Knowledge Based Business Development works in partnership with key stakeholders to develop an innovation environment in which Information Communications and Technology (ICT), new media and cultural industries can thrive. Overall the group will support the development of knowledge-based business community by working with companies to identify opportunities for innovation and strategic partnerships to support their growth.

Life Sciences

Life Sciences works multiple public and private stakeholders to strengthen Manitoba's globally competitive life sciences cluster in the health, agri-food and environment sectors, leading to positive social and economic outcomes for all Manitobans.

Broadband Initiative

The Broadband Initiative works with the private sector and community based organizations in order to provide high-speed connectivity and Broadband capacity to those areas in the province where such services do not currently exist.

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION & BUSINESS DEVELOPMENT

ACTIVITY IDENTIFICATION:

Strategic Planning and Analysis

- Implement the provincial innovation and research strategies, encourage students to understand the importance of science and technology to the future of the province through the Manitoba Network for Science and Technology (MindSet), and administer various funds that support research, innovation and technology including:
    - Manitoba Research and Innovation Fund - The mandate is to increase the capability of Manitoba's universities, colleges, hospitals, and other not-for-profit institutions to carry out important world-class scientific research and technology development. The fund is also used to support institutional innovation activities and bring technologies to the market place.
    - The Manitoba Centres of Excellence Fund - The objectives of the Manitoba Centres of Excellence Fund (MCEF) are to attract and maintain world-class R&D activity in Manitoba and to generate related economic spin-off benefits for local companies and non-profit institutions.
- Develop the strategic and operational plans of the department.

Knowledge Based Business Development

- Focus provincial Knowledge Enterprise innovation activities through whole of government leadership and co-ordination.
- Assist in the growth and success of Manitoba's Knowledge Enterprises science, research and technology assets.
- Strengthen, develop, grow and attract Knowledge Enterprise industry sectors.
- Ensure government's internal ICT strategies and projects capture innovation and drive economic development.

Life Sciences

- Improve the connectivity among stakeholders
- Establish formalized linkages and research collaborations
- Promote a "growth from within" culture in the province
- Increase industry awareness of the Life Sciences sector
- Establish coordinated human resource initiative
- Catalyze sector convergence
- Advancing innovation into the health care system

Broadband Initiative

- Work with the private sector and community based organizations in order to provide High-Speed connectivity and Broadband capacity to those areas in the province where such services do not currently exist.

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION & BUSINESS DEVELOPMENT

EXPECTED RESULTS:

Strategic Planning and Analysis

- Research and innovation frameworks to:
  - define the key actions and principles that will guide how research, technology and innovation efforts should work;
  - align provincial government decision-making for R&D activities with provincial strategic goals;
  - align business development needs and activities with research capacities; and
  - coordinate innovation activities within and between provincial government departments.
- MindSet is continued and will increase educator and student involvement in S&T awareness activities and increase their knowledge about science, technology and their applications.
- A strategic plan for the department is developed.

Knowledge Based Business Development

- Strategies are developed for increasing ICT and new media research activity and technology commercialization.
- Strategies are developed for addressing the venture capital gaps.
- Benefit is accrued to Manitoba based companies from Government ICT procurement.
- An ICT specific investment attraction strategy and a complimentary plan to market Manitoba based companies are developed.
- Strategies are established to help grow and fulfill government's commitments to the knowledge based sector.

Life Sciences

- Connectivity and interaction among provincial and regional stakeholders.
- Formalized linkages and research collaborations.
- Increased commercialization of Manitoba life science technologies.
- Increased international, national and provincial recognition of Manitoba's life sciences expertise, infrastructure and investment opportunities.
- Training programs in biopharmaceutical manufacturing and clinical trial research are in place.
- Increased employment within Manitoba's life sciences sector.
- Process for measuring the scope and economic outcomes from incorporating Manitoba innovative technologies into the Province's health care systems.

Broadband Initiative

- An implemented Broadband Innovation Fund
- An implemented the Manitoba Schools Capitalization Program
- Successfully negotiated PDN schools connectivity program
- Four new regional based high-speed Information Service Providers (ISPs)
- Broadband north of the 53rd parallel by 2005.

SUB-APPROPRIATION 18 - 3A
SCIENCE, INNOVATION & BUSINESS DEVELOPMENT

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	**4.00**	**288.9**	4.00	268.0
Professional/Technical	**15.00**	**1,024.1**	15.00	1,007.0
Administrative Support	**3.00**	**108.5**	3.00	107.1
Employee Benefits		**160.1**		139.1
		1,581.6		1,521.2
Less: Allowance for Staff Turnover	**22.00**	**(67.2)**	22.00	(63.3)
Total Salaries and Employee Benefits	**22.00**	**1,514.4**[1]	22.00	1,457.9
OTHER EXPENDITURES				
Transportation		**123.5**		123.5
Communications		**97.3**		109.8
Supplies and Services		**140.6**		119.0
Other Operating		**444.7**		458.7
Total Other Expenditures		**806.1**[2]		811.0
PROGRAM DELIVERY				
Manitoba Research & Innovation Fund		**12,250.0**[3]		11,100.0
Manitoba Centres of Excellence		**483.8**[4]		410.0
Total Program Delivery		**12,733.8**		11,510.0
TOTAL SUB-APPROPRIATION	**22.00**	**15,054.3**	22.00	13,778.9

1. Net increase due to $54.1 in normal salary adjustments and $6.3 in salary accrual adjustments, offset by ($3.9) in staff turnover adjustments.
2. Net decrease due to ($14.0) Desktop Management reduction, ($12.5) discretionary operating reduction, offset by $21.6 increase in ACRS (lease space) adjustment.
3. Increase funding for research and innovation projects.
4. Increased funding for projects.

SUB-APPROPRIATION 18 – 3B
GRANT ASSISTANCE - INDUSTRIAL TECHNOLOGY CENTRE

The Industrial Technology Centre became a special operating agency on April 1, 1996. Refer to Section 5 for detailed information.

SUB-APPROPRIATION 18 – 3B
GRANT ASSISTANCE - INDUSTRIAL TECHNOLOGY CENTRE

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES				
Grant/Transfer Payments		**750.0**		750.0
TOTAL SUB-APPROPRIATION		**750.0**		750.0

Commencing with the 1996/97 fiscal year, the Industrial Technology Centre (ITC) was established as a special operating agency. The Centre formerly functioned as a part of the Economic Innovation and Technology Council. ITC will provide services to Energy, Science and Technology under contract in 2003/04. Please refer to Part five ITC's detailed financial information.

SUB-APPROPRIATION 18 - 3C
MANITOBA HEALTH RESEARCH COUNCIL

OBJECTIVES:

To provide funding for policy evaluation and research initiatives.

ACTIVITY IDENTIFICATION:

- Provide funding to the Manitoba Health Research Council for annual grants and awards competitions.
- Provide funding to the Manitoba Centre on Health Policy and Evaluation for evaluation and policy initiatives.

EXPECTED RESULTS:

- Promotion of basic, clinical and applied research in health sciences in Manitoba.
- Analysis and assessment of priority health issues in Manitoba.

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES				
Grant/Transfer Payments		**1,752.6**		1,752.6
TOTAL SUB-APPROPRIATION		**1,752.6**		1,752.6

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2003/2004 $(000's)**	Estimates of Expenditure 2002/2003 (adjusted) $(000's)
18.4	4.	**MANITOBA INFORMATION and COMMUNICATION TECHNOLOGY**	**17,799.8**	17,262.2
		Develops a comprehensive e-strategy for the province building on strengths in our business, education and government community. Develops key information and communication technology (ICT) strategies, policies, standards and business processes to optimize the delivery of core ICT functions in support of service delivery goals. Provides an information and communication technology environment within government where appropriate technologies are fully integrated with service delivery requirements. Provides an analytical framework for review and approval of all ICT plans, projects and expenditures.		
		a) eManitoba Secretariat	**577.5**	519.7
		b) Information and Communication Technology Policy	**2,787.4**	2,781.0
		c) Information and Communication Technology Service Delivery	**12,893.2**	12,438.5
		d) Legislative Building Information Systems	**1,095.9**	1,077.2
		e) Manitoba Education, Research and Learning Information Networks	**445.8**	445.8
			17,799.8	17,262.2

SUB-APPROPRIATION 18 - 4A
eMANITOBA SECRETARIAT

OBJECTIVES:

The eManitoba is a new organization that will provide support to an advisory council to the Manitoba Government in the area of innovation in technology and service delivery. The eManitoba organization will be a special secretariat that connects the eManitoba council with executive government. This eManitoba council will serve as an interface between government and stakeholders from business, industry, institutions and academia.

ACTIVITY IDENTIFICATION:

- Develop a comprehensive eStrategy for the province, building on strengths in our business, education and government community.
- Build on initiatives like "At Your Service Manitoba" that approaches the electronic, telephone and in-person channels of government-citizen in a unified approach on a government-wide basis.
- Take a leadership and policy role in influencing direction of the new Corporate ICT organization, government-wide technology and innovation efforts, and service improvement and transformation.
- Establish an advisory committee of Manitoba leaders in the areas of innovation in technology and service delivery.
- Build upon the foundation built to date by the Coordinated Services Committee and the Coordinated Services Unit.

EXPECTED RESULTS:

- A committee that will serve as an interface between government and stakeholders from business, industry, institutions and academia.
- A comprehensive eStrategy for the province, building on strengths in our business, education and government community.
- The "At Your Service Manitoba" initiative continues to ensure a unified approach to citizen focused service delivery.
- A provincial government decision making process that is aligned with government-wide technology and innovation efforts, and service improvement and transformation with provincial strategic goals.

MANITOBA INFORMATION & COMMUNICATION TECHNOLOGY

SUB-APPROPRIATION 18 - 4A
eMANITOBA SECRETARIAT

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	**1.00**	**85.2**	1.00	38.9
Professional/Technical	**5.00**	**351.9**	5.00	347.5
Administrative Support	**1.00**	**34.4**	1.00	34.4
Employee Benefits		**50.1**		42.5
		521.6		463.3
Less: Allowance for Staff Turnover	**7.00**	**(19.1)**	7.00	(18.6)
Total Salaries and Employee Benefits	**7.00**	502.5[1]	7.00	444.7
OTHER EXPENDITURES				
Transportation		**4.9**		4.9
Communications		**5.8**		5.8
Supplies and Services		**28.3**		28.3
Other Operating		**36.0**		36.0
Total Other Expenditures		**75.0**		**75.0**
TOTAL SUB-APPROPRIATION	**7.00**	**577.5**	7.00	519.7

1. Net increase due to $56.2 in normal salary adjustments, and $2.1 in salary accrual adjustments, offset by ($0.5) in staff turnover adjustments.

SUB-APPROPRIATION 18 - 4B
INFORMATION AND COMMUNICATION TECHNOLOGY POLICY

OBJECTIVES:

To create an information and communication technology environment within government where appropriate technologies are fully integrated with program planning and delivery cycles. This environment is flexible and responsive to change, open to new ideas, and supports the government's commitment to improve services and program delivery to the direct benefit of Manitobans.

ACTIVITY IDENTIFICATION:

- Provide leadership, stewardship, facilitation, consistency, and coordination of ICT initiatives, as well as realization of benefits, and optimized use of human capital.
- Produce strategic planning processes with appropriate input from programs and business, drawing from expertise at all levels of the public sector.
- Develop approaches to organization, strategies and planning around the Health information technology (IT) requirements to ensure consistency with corporate needs and direction.
- Provide corporate direction on pressing government ICT issues such as the desktop refresh strategy, SAP upgrade and Health IT initiatives.
- Define the mandate of the new organization, which is anticipated to be based on a model of program and client service delivery to enable and support *citizen-centric* services.

EXPECTED RESULTS:

- Establishment of key ICT strategies, policies, standards, and business processes, and optimized delivery of core ICT applications, technologies and services.
- Support and alignment with the commitment of government to improve services and access to information.
- Priority and focus on supporting departmental planning to achieve program and service goals.
- Aligned program planning and delivery requirements of the government to become more cost-effective, reduce duplication, and improve service levels to citizens.

MANITOBA INFORMATION & COMMUNICATION TECHNOLOGY

SUB-APPROPRIATION 18 - 4B
INFORMATION AND COMMUNICATION TECHNOLOGY POLICY

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	2.00	190.8	2.00	186.6
Professional/Technical	15.00	1,049.7	15.00	1,014.2
Administrative Support	3.00	110.9	3.00	109.7
Employee Benefits		146.8		126.7
		1,498.2		1,437.2
Less: Allowance for Staff Turnover	20.00	(61.1)	20.00	(63.7)
Total Salaries and Employee Benefits	20.00	1,437.1[1]	20.00	1,373.5
OTHER EXPENDITURES				
Transportation		34.3		34.3
Communications		76.8		101.8
Supplies and Services		510.7		499.7
Other Operating		727.5		770.7
Minor Capital		1.0		1.0
Total Other Expenditures		1,350.3[2]		1,407.5
TOTAL SUB-APPROPRIATION	20.00	2,787.4	20.00	2,781.0

1. Net increase due to $57.2 in normal salary adjustments, $3.8 in salary accrual adjustments, and $2.6 in staff turnover adjustments.
2. Net decrease due to ($25.0) telecommunications related reductions and ($43.2) general operating reduction, offset by an increase of $11.0 in ACRS lease space adjustments.

SUB-APPROPRIATION 18 - 4C
INFORMATION AND COMMUNICATION TECHNOLOGY SERVICE DELIVERY

OBJECTIVES:

To provide leadership, stewardship, facilitation, consistency, and coordination of ICT initiatives, as well as realization of benefits, and optimized use of human capital.

ACTIVITY IDENTIFICATION:

- Maximize opportunities to leverage the existing infrastructure, buying power, lessons learned, experiences, and skills and resources.
- Review and streamline the ICT procurement process.
- Connect with government priorities, and priorities of citizens, to support service delivery.
- Amalgamate and incorporate the former organizations, including Enterprises System Management (ESM), Desktop, Telecommunication and Network Services (DTNS), Better Systems Initiative (BSI), and Office of Information Technology (OIT), into a central corporate division within Manitoba Energy, Science and Technology.
- Maintain and integrate ongoing operations and initiatives of the aforementioned units to improve processes and provide consistency of service delivery.

EXPECTED RESULTS:

- Enhanced capability for the province to lever and make the best use of existing resources, ensuring there is appropriate accountability and financial control.
- Meet the high expectations of Manitoba citizens and businesses by delivering information and services that are convenient, reliable and protected.
- Provide legitimate access to information, while providing strict control over the collection, management, and security of this information in accordance with freedom of information and privacy legislation.

MANITOBA INFORMATION & COMMUNICATION TECHNOLOGY

SUB-APPROPRIATION 18 - 4C
INFORMATION AND COMMUNICATION TECHNOLOGY SERVICE DELIVERY

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	1.00	81.1	1.00	77.3
Professional/Technical	42.12	2,845.3	42.12	2,511.7
Administrative Support	11.00	394.9	11.00	399.9
Employee Benefits		356.1		318.6
		3,677.4		3,307.5
Less: Allowance for Staff Turnover	54.12	(205.2)	54.12	(194.8)
Total Salaries and Employee Benefits	54.12	3,472.2[1]	54.12	3,112.7
OTHER EXPENDITURES				
Transportation		25.7		25.7
Communications		376.5		413.1
Supplies and Services		3,457.0		3,424.4
Other Operating		16,257.8		14,469.1
Minor Capital		265.8		265.8
Total Other Expenditures		20,382.8[2]		18,598.1
TOTAL SUB-APPROPRIATION (GROSS)		23,855.0		21,710.8
Less: Recoverable from other appropriations		(10,961.8)[3]		(9,272.3)
TOTAL SUB-APPROPRIATION (Net)	54.12	12,893.2	54.12	12,438.5

1. Net increase due to $362.3 in normal salary adjustments and $7.6 in salary accrual adjustments, offset by ($10.4) in staff turnover adjustments.
2. Net increase due to $32.6 for ACRS lease space adjustments and $1,788.7 for costs related to the government network and other operating costs offset by a reduction of ($36.6) for telecommunication related charges.
3. Net increase due to ($53.3) for recoveries related to telecommunications and ($1,636.2) for recoveries related to the government network.

SUB-APPROPRIATION 18 - 4D
LEGISLATIVE BULDING INFORMATION SYSTEMS (LBIS)

OBJECTIVES:

To provide a secure technological environment with highly responsive support services and reliable systems that address business requirements of diverse users in the Legislative Building.

The user community encompasses both government and non-government staff. Government staff includes Executive Council, Ministers' and Deputy Ministers' offices, Treasury Division, and departmental staff that provide support services. Non-government staff includes the Legislative Assembly offices of the Speaker and the Clerk, the Leaders of the Opposition, and Caucus offices.

ACTIVITY IDENTIFICATION:

Direction and planning for Information Technology initiatives in the Legislative Building.

Development and implementation of security strategies that monitor intrusions, detect viruses and enable recovery from disasters.

Provision of desktop management services including help desk support, requirements analysis, purchasing and asset management.

Management of server and communications infrastructure.

Analysis, implementation and support of business applications.

Provision of consultative and project management services on outsource initiatives.

EXPECTED RESULTS:

A computing environment that is in line with best practices in operations and security.

Over-the-shoulder assistance on the help desk.

A computing environment that is up-to-date with the latest hardware and software.

Upgrade to a Treasury Management System.

Upgrade to Money Management Systems.

Major enhancements to a corporate web-based issues tracking system and implementation of additional external Users onto the system.

High-speed secure remote access to the computing environment through the Internet.

New and updated Web sites on the Legislative Building Intranet.

Increased bandwidth from the Legislative Building to the rest of government.

SUB-APPROPRIATION 18 - 4D
LEGISLATIVE BUILDING INFORMATION SYSTEMS (LBIS)

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
SALARIES & EMPLOYEE BENEFITS				
Managerial	**1.00**	**82.2**	1.00	81.9
Professional/Technical	**11.00**	**632.7**	11.00	623.9
Administrative Support	**1.00**	**40.4**	1.00	40.3
Employee Benefits		**91.4**		90.5
		846.7		836.6
Less: Allowance for Staff Turnover	**13.00**	**(39.2)**	13.00	(39.2)
Total Salaries and Employee Benefits	**13.00**	**807.5**[1]	13.00	797.4
OTHER EXPENDITURES				
Transportation		**1.0**		1.0
Communications		**16.0**		16.0
Supplies and Services		**87.0**		86.8
Other Operating		**114.4**		106.0
Minor Capital		**70.0**		70.0
Total Other Expenditures		**288.4**[2]		279.8
TOTAL SUB-APPROPRIATION	**13.00**	**1,095.9**	13.00	1,077.2

1. Net increase a result of normal salary adjustments of $10.1.
2. Net increase a result of an increase in ACRS (lease space) adjustments of $0.2 and Anti Virus License Fees of $8.4.

SUB-APPROPRIATION 18 - 4E
MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)

The Manitoba Education, Research and Learning Information Networks (MERLIN) is a special operating agency that provides distance education technology services for the Province.
Refer to Section 5 for detailed information.

SUB-APPROPRIATION 18 - 4E
MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
OTHER EXPENDITURES				
Grant/Transfer Payments		**445.8**		445.8
TOTAL SUB-APPROPRIATION		**445.8**		445.8

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Expenditure 2003/2004 $(000's)**	Estimates of Expenditure 2002/2003 (adjusted) $(000's)
18.5	5.	**AMORTIZATION OF CAPITAL ASSETS**	**5,773.1**	6,870.2
		Provides for the amortization of Capital Assets.		
		a) Desktop Management Initiative	-	-
		b) Enterprise Software	-	-
		c) Desktop Services	**71.3**	139.5
		d) Amortization Expense	**1,451.6**	1,915.8
		e) Interest Expense	**4,250.2**	4,814.9
			5,773.1	6,870.2

SUB-APPROPRIATION 18 - 5A, 5B, 5C, 5D, 5E
AMORTIZATION OF CAPITAL ASSETS

Commencing in 2001/2002, it is the policy of the Province of Manitoba to record in the accounts of the Province, the tangible capital assets owned and used by the Province along with appropriate amortization costs. Standard asset classes have been established by the Provincial Comptroller, along with capitalization thresholds and corresponding amortization rates. Consistent with this policy, this sub-appropriation records the costs associated with the amortization of the Department's share of the total estimated costs of the Desktop Management and Better Methods initiatives allocated to the Department, in the case of Desktop, on the basis of units acquired by the Department as a percentage of total units acquired by the Province and, in the case of Better Methods, by projected departmental use. A small amount is also included for the amortization of other departmental assets.

SUB-APPROPRIATION 18 - 5A, 5B, 5C, 5D, 5E
AMORTIZATION OF CAPITAL ASSETS

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	$(000's)	FTE	$(000's)
OTHER EXPENDIITURES				
(5A) Desktop Management				
Government Wide Desktop costs		6,463.7		12,783.6
Less: Recoverable from other appropriations		(6,463.7)		(12,783.6)
(5A) - TOTAL SUB-APPROPRIATION		-		-
(5B) Enterprise System				
Amortization Expenses		3,447.6		3,527.6
Less: Recoverable from other appropriations		(3,447.6)		(3,527.6)
(5B) TOTAL SUB-APPROPRIATION		-		-
(5C) Desktop Services				
Amortization Expense - Hardware and Transition		36.5		88.8
Amortization Expense - Enterprise System		-		15.9
Enterprise System Licences		34.8		34.8
(5C) TOTAL SUB-APPROPRIATION		71.3		139.5
(5D) TOTAL Amortization Expense		1,451.6		1,915.8
(5E) TOTAL Interest Expense		4,250.2		4,814.9
TOTAL SUB-APPROPRIATIONS		5,773.1[1]		6,870.2

1. Decrease in the amortization expense for hardware and enterprise software consistent with those costs capitalized under the original desktop management initiative.

PART 3

HISTORICAL INFORMATION

SCHEDULE 10

DEPARTMENT OF ENERGY, SCIENCE AND TECHNOLOGY
FIVE YEAR EXPENDITURE AND STAFFING SUMMARY BY APPROPRIATION ($000s)
FOR YEARS ENDING MARCH 31, 2000 - MARCH 31, 2004

	ACTUAL/*ADJUSTED ESTIMATES OF EXPENDITURE						ADJUSTED ESTIMATES OF EXPENDITURE 2002/2003		PRINTED MAIN ESTIMATES OF EXPENDITURE 2003/2004	
	1999/2000		2000/2001		2001/2002					
	FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s
Administration and Finance							7.00	478.5	7.00	606.6
Energy Development Initiative							18.00	1,793.9	18.00	2,292.4
Science, Innovation and Business Development	16.92	15,267.2	17.78	14,239.9	27.00	15,023.4	24.00	14,592.7	22.00	17,556.9
Manitoba Information and Communication Technology							81.12	17,262.2	81.12	17,799.8
Amortization and Other Costs Related to Capital Assets								6,870.2		5,773.1
TOTAL	**16.92**	**15,267.2**	**17.78**	**14,239.9**	**27.00**	**15,023.4**	**130.12**	**40,997.5**	**128.12**	**44,028.8**

** Adjusted figures reflect historical data on a comparable basis in those appropriations affected by reorganization, during the years.*

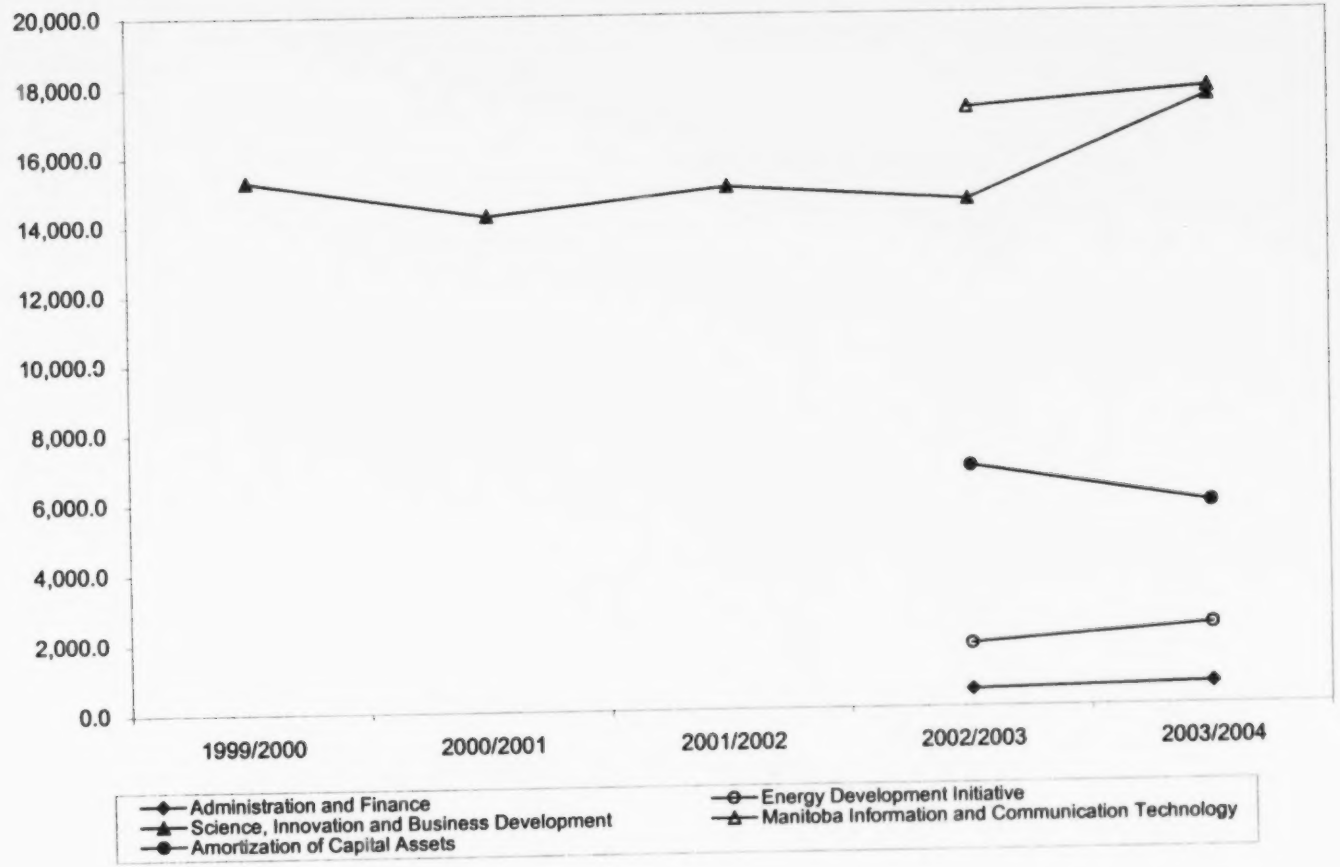
Commencing in 1998/99, figures incorporate funding for the Desktop Management Initiative.

Explanation:

1. *Reflects change in government accounting policy, whereby capital assets are to be amortized based on their useful life rather than expensed in the year of acquisition.*

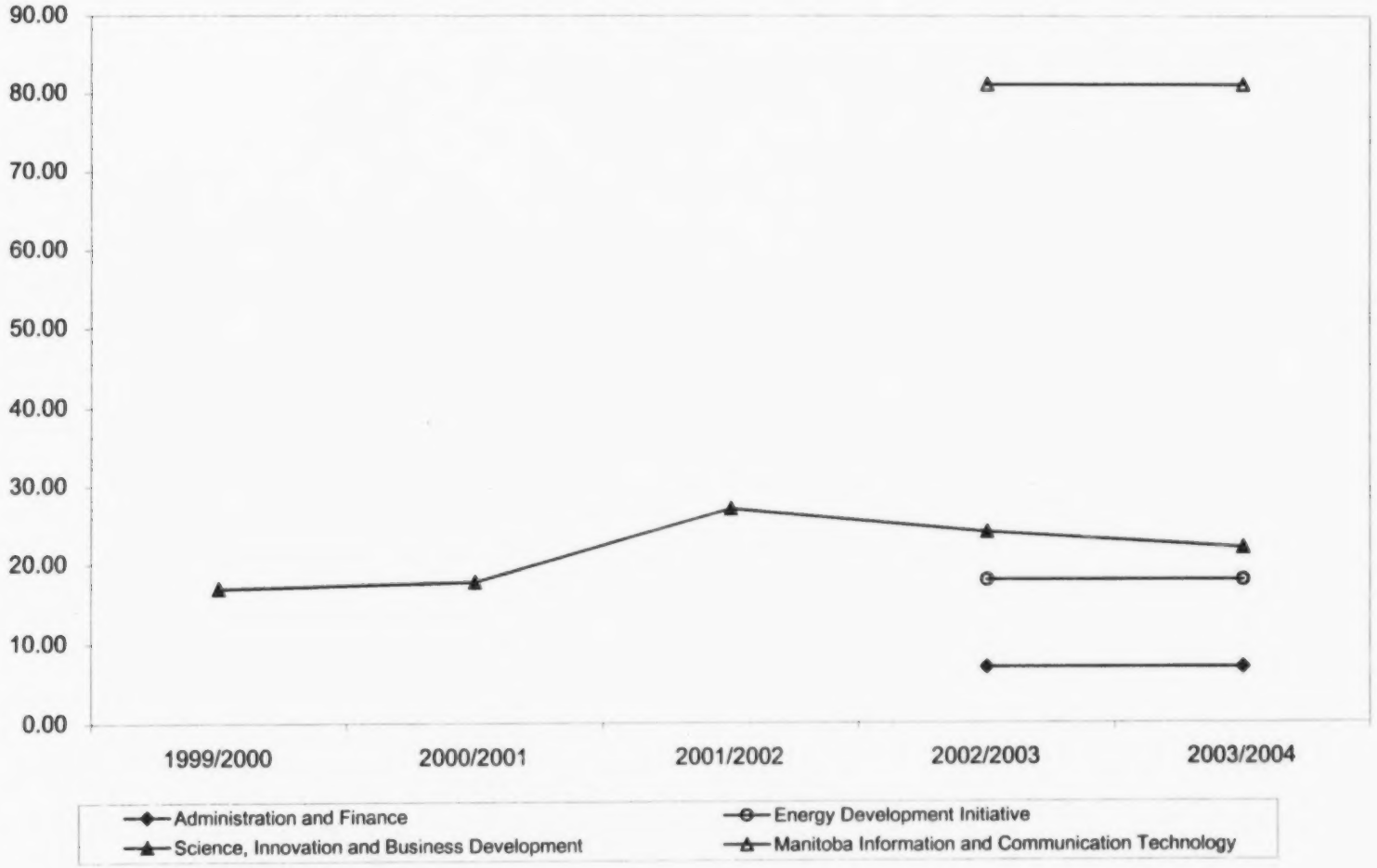
SCHEDULE 11

Five Year Expenditure History by Operating Division ($000s)

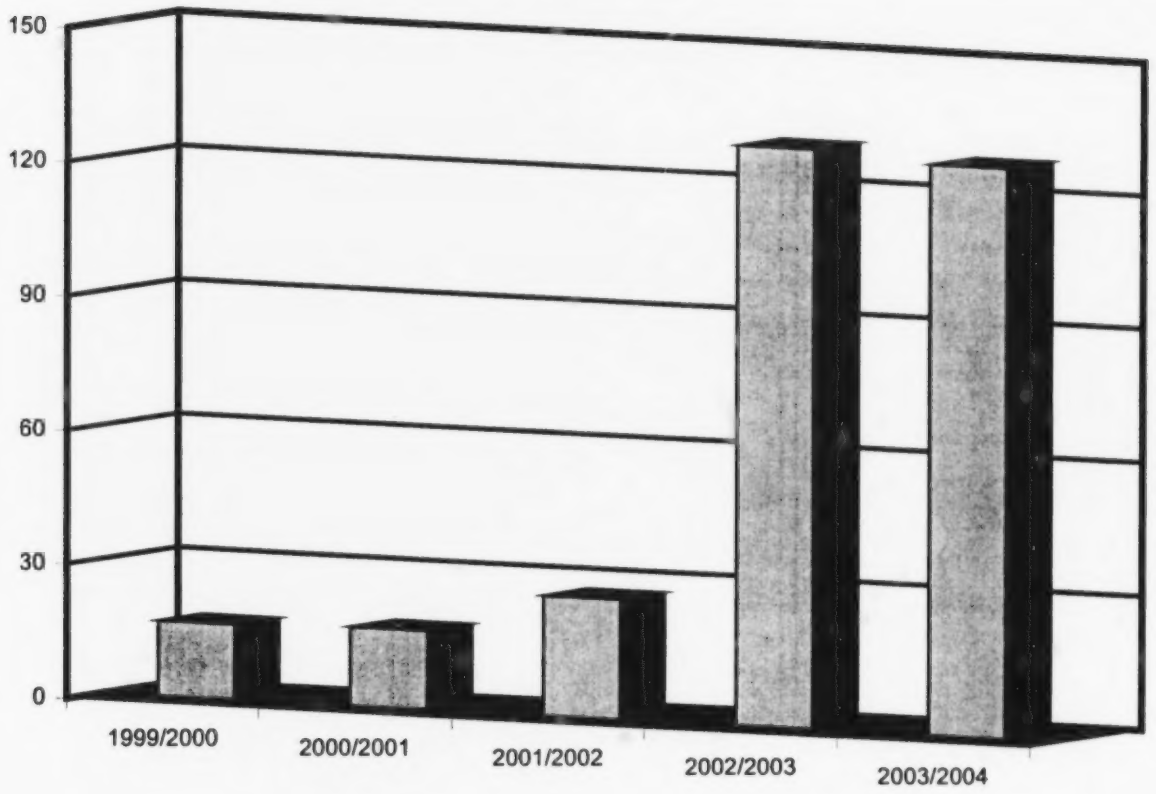


SCHEDULE 12

Five Year Expenditure History by Operating Division (FTEs)



Five Year Staff History (By FTEs)



PART 4

CAPITAL INVESTMENT

Res. No.	Approp. No.	Energy, Science and Technology (18) Details of Appropriation	**Estimates of Capital Investment 2003/2004 $(000's)**	Estimates of Capital Investment 2002/2003 $(000's)
		CAPITAL INVESTMENT		
B.3	**3.**	Energy, Science and Technology	**300.0**	1,320.0
		Provides for additional development costs of the government-wide integrated financial, human resource and payroll management system, and the development and acquisition costs for the implementation of other information technology projects.		
		a) Enterprise Systems	**100.0**	820.0
		b) Other Information Technology Projects	**200.0**	500.0
			300.0	1,320.0

SUB-APPROPRIATION B-3A
ENTERPRISE SYTEM

OBJECTIVES:

To upgrade SAP environment to its most current version.

ACTIVITY IDENTIFICATION:

Provision for internal staff resources including training requirements for the new version.

EXPECTED RESULTS:

SAP version upgrade will be completed by 2005.

SUB-APPROPRIATION B- 3A
ENTERPRISE SYSTEM

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
CAPITAL INVESTMENT				
Enterprise Systems		**100.0**		820.0
TOTAL SUB-APPROPRIATION B-3A		**100.0**[1]		820.0

1. Reflects a reduction from the 2002/03 adjusted vote.

SUB-APPROPRIATION B-3B
OTHER INFORMATION TECHNOLOGY PROJECTS

OBJECTIVES:

To provide for the purchase of hardware and software required in the division and to provide for enhanced corporate security.

ACTIVITY IDENTIFICATION:

The hardware and software will support the activities of the Office of Information Technology in the areas of intrusion detection.

EXPECTED RESULTS:

Improved security posture for the government's IT environment.

SUB-APPROPRIATION B- 3B
OTHER INFORMATION TECHNOLOGY PROJECTS

	Estimates of Expenditure 2003/2004		Estimates of Expenditure 2002/2003 (adjusted)	
	FTE	**$(000's)**	FTE	$(000's)
CAPITAL INVESTMENT				
Other Information Technology Projects		**200.0**		500.0
TOTAL SUB-APPROPRIATION B-3B		**200.0**[1]		500.0

1. Reflects a reduction from the 2002/03 adjusted vote.

PART 5

SPECIAL OPERATING AGENCIES

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS (MERLIN)

MERLIN's mission is to support the use of technology in improving educational services to learners.

CRITICAL SUCCESS FACTORS

- Focus on the K-S4 system
- Focus on provincial services
- Improved access to MERLIN's services for rural and northern schools
- Pro-active planning

2003/04 KEY OBJECTIVES

Operational

- Aggregate demand across the province for hardware and software to provide better opportunities for all divisions.
- Provide services to rural and northern school divisions at costs similar to urban divisions to increase equity among all divisions.
- Collaboratively develop provincial standards across the K-S4 system for use of information technology that will result in higher reliability and lower costs.
- Provide training to school divisions to assist them in acquiring the skills required to sustain operations and enhance their own technology infrastructures.
- Deliver specific services directly to those divisions where the technical resources are unavailable.

Communications/Marketing

- Play a coordinating role in promoting a collaborative approach among school divisions in order to maintain standards and apply economies of scale.
- Continue to regularly meet, consult, discuss, and collaborate with the Department of Education and Youth and school divisions to strengthen ties between curriculum planning and technology supply.
- Continually assess client satisfaction.
- Build on our existing business relationships with suppliers to improve the range of connectivity options available to remote school divisions.

Services

- Provincial licensing/purchasing.
- Audio Conferencing (teleconferencing).
- Web Delivery.
- Internet.
- CyberSchools Education Portal
- Information Technology (networking, security and desktop).
- Technical training.
- Provincial technology standards.
- Distance Education support.

Program Thrusts and Direction

- Provide products and services in a manner which improves equity across the Province.
- Provide products and services that support self-sufficiency at the school division level.
- Facilitate and support improved communication between the Department of Education and Youth and school divisions in the area of learning technologies.
- In consultation with the Department of Education and Youth, provide support and direction in distance learning initiatives with a focus on the technology infrastructures required to deliver distance-learning opportunities.
- Support the goals of the Department of Energy, Science and Technology and the Department of Education and Youth.
- Be pro-active in embracing opportunities and fostering relationships to the advantage of the educational community.

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Pro Forma Balance Sheet (in thousands)
As at March 31, 2004 to March 31, 2007

	2004	2005	2006	2007
Assets				
Current Assets				
Cash	$ 1,175	$ 822	$ 497	$ 76
Accounts receivable	300	300	300	300
Prepaid expenses	50	50	50	50
	1,525	1,172	847	426
Receivable from Province of Manitoba	47	47	47	47
Capital Assets	222	237	231	199
Total Assets	$ 1,794	$ 1,456	$ 1,125	$ 672
Liabilities and Deficit				
Current Liabilities				
Accounts payable and accrued liabilities	$ 468	$ 458	$ 462	$ 360
Working capital advance	-	-	-	-
Current portion of deferred Cyber School revenue	388	395	431	436
	856	853	893	796
Long-term liabilities				
Deferred Cyber School revenue	1,650	1,262	867	436
Less: current portion included in current liabilities	388	395	431	436
	1,262	867	436	-
Severance liability	50	55	50	45
	1,312	922	486	45
	2,168	1,775	1,379	841
Deficit				
Retained earnings (deficit)	(374)	(319)	(254)	(169)
Total Liabilities and Deficit	$ 1,794	$ 1,456	$ 1,125	$ 672

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Pro Forma Statement of Income and Deficit (in thousands)
For the years ended March 31, 2004 to March 31, 2007

	2004	2005	2006	2007
Revenue (by Program)				
Provincial licencing and purchasing	$ 1,400	$ 1,425	$ 1,425	$ 1425
Cyber Schools	501	388	395	431
Internet services	300	250	200	367
Information technology services	240	250	260	270
Provincial technology standards	200	200	200	200
Electronic conferencing	175	180	185	190
Web delivery services	185	190	195	200
Technical training services	70	70	75	75
Total revenue	3,071	2,953	2,935	3,158
Provincial licencing and purchasing	1,425	1,425	1,425	1425
Cyber Schools	501	388	395	431
Internet services	360	280	220	367
Information technology services	240	250	260	270
Provincial technology standards	200	200	200	200
Electronic conferencing	155	160	165	170
Web delivery services	130	155	160	165
Technical training services	40	40	45	45
Total expenses	3,051	2,898	2,870	3,073
Net Contribution (by Program)				
Provincial licencing and purchasing	(25)	-	-	-
Cyber Schools	-	-	-	-
Internet services	(60)	(30)	(20)	-
Information technology services	-	-	-	-
Provincial technology standards	-	-	-	-
Electronic conferencing	20	20	20	20
Web delivery services	55	35	35	35
Technical training services	30	30	30	30
Total net contribution	20	55	65	85
Surplus (deficit) at beginning of period	(394)	(374)	(319)	(254)
Surplus (deficit) at end of period	$ (374)	$ (319)	$ (254)	$ (169)

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Pro Forma Statement of Cash Flows (In thousands)
For the years ended March 31, 2004 to March 31, 2007

	2004	2005	2006	2007
Cash Derived From (Applied To)				
Operating				
Net Income (loss)	$ 20	$ 55	$ 65	$ 85
Amortization	114	100	121	107
	134	155	186	192
Change in:				
Accounts receivable	(25)	-	-	-
Prepaid expenses	(25)	-	-	-
Accounts payable	65	(10)	4	(102)
Current portion of Cyber Schools deferred revenue	388	7	36	5
	537	152	226	95
Investing				
Capital assets	(74)	(115)	(115)	(75)
Financing				
Cyber Schools deferred revenue	1,262	(395)	(431)	(436)
Severance liability	-	5	(5)	(5)
	1,262	(390)	(436)	(441)
Net increase (decrease) in cash	1,725	(353)	(325)	(421)
Cash - beginning of period	(550)	1,175	822	497
Cash - end of period	$ 1,175	$ 822	$ 497	$ 76

Manitoba Education, Research and Learning Information Networks (MERLIN)
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Preliminary Notes to the Pro Forma Financial Statements
For the Years Ended March 31, 2004 to March 31, 2007

Note 1: Nature of the Organization

Effective April 1, 1995 Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency (S.O.A.) by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (S.O.A.F.A.). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the S.O.A.F.A. and the Minister of Education and Training assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the S.O.A.F.A.

MERLIN remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

Note 2: Basis of Reporting

The financial statements of the Agency are presented in accordance with generally accepted accounting principles.

Note 3: Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to designation as a S.O.A. and for severance pay benefits prior to March 31, 1998. The balance is consists of:

Vacation entitlement	$ 19
Severance pay benefits	28
	$ 47

Note 4: Capital Assets

In accordance with the S.O.A.F.A. guidelines computer equipment, software and hardware are amortized at a rate of 20%, 10% in the year of acquisition.

Note 5: Working Capital Advances

These advances are provided to the Agency through the S.O.A.F.A. pursuant to the Management Agreement.

Note 6 : Severance Pay Benefits

Effective July 1, 1998, the Agency is recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba

The Province has accepted responsibility for the severance benefits accumulated the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at July 1, 1998 of $28 was offset by a receivable from the Province. There are no terms of repayment for this receivable, and the amount will remain fixed at $28. Any subsequent change in the severance pay liability will be recorded as an expense to the Agency.

THE INDUSTRIAL TECHNOLOGY CENTRE

BACKGROUND

The Industrial Technology Centre (ITC) was established in 1979 and commenced operations as a Special Operating Agency (SOA) on April 1, 1996. ITC was initially managed by the Manitoba Research Council (1979 to 1991), and then became the responsibility of the Economic Innovation and Technology Council (EITC, 1992 to 1996). In FY 96/97, ITC became an SOA of the Province of Manitoba and now operates under Manitoba Energy, Science and Technology (ES&T).

VISION

To be recognized as the best resource for solving technical issues for the benefit of Manitoba.

RESPONSIBILITY

ITC provides a wide range of technical services in support of technology-based economic development out of 21,000 square feet of leased premises. ITC customers primarily include Manitoba companies from various industrial sectors, as well as government agencies. ITC services are provided on a fee for service basis and under the Economic Development Contribution Agreement (the EDCA is a performance contract with ES&T that supports ITC for its contribution to economic development activities in Manitoba). Some fee for service revenues are derived from contracts outside Manitoba and Canada.

ITC's services are categorized as:

- Technical Information and Advisory Services
- Engineering
- Document Examination Services (DES)
- Virtual Reality Centre (VRC)

ITC has established a Virtual Reality Centre (VRC). The VRC provides Manitoba industry with access to newer technologies, which will improve their productivity and competitiveness.

The breadth of staff expertise makes ITC a unique technical facility. ITC offers a wide range of technical services that complement each other (we provide a "one-stop shop"). By virtue of service lines that are not mutually exclusive, ITC engineers and technicians regularly collaborate on projects to provide customers with the best possible service and technical solutions. ITC's core staff level for FY 2003/2004 is 28.

PERFORMANCE MEASUREMENT

ITC has always played a role in fostering economic growth in Manitoba by virtue of the services it provides to its customers. A diverse range of in-house expertise enables ITC to assist Manitoba individuals and companies in many capacities, from converting a concept to a marketable product or service to establishing infrastructure that contributes to their growth.

The Economic Development Contribution Agreement (EDCA/performance contract) between ITC and Manitoba Energy, Science and Technology provides the framework and opportunity for ITC to measure and report upon the results and public policy benefits of its services. Under the terms of this agreement, ES&T supports ITC for

its economic development activities. ITC's technical and advisory services are expected to generate the following public policy benefits:

- Increased awareness, availability and utilization of new technologies to help companies remain competitive.
- Provision of testing services to assist companies with international standards compliance.
- Provision of access to high quality technical services otherwise not readily available to Manitoba companies.

ITC engaged an external research organization that conducted independent client surveys to capture economic impacts during the past year. The results of these surveys are summarized as follows:

Category	Impact of ITC Services
New Jobs Created	31
Jobs Saved/Maintained	1,223
Sales Increase	$12.0 million
Cost Savings Identified	$2.6 million
Investment Increases	$3.5 million
Influence on client objectives	93% of respondents reported that ITC had a positive impact on their organization.

These results are compiled from the responses of 68 individuals representing a sample of ITC clients (56 clients). No attempt has been made to extrapolate the impacts for ITC's entire project client base (approximately 250 clients).

These impacts are summarized from respondents where they were able to quantify the impact of ITC services. The remaining respondents were unable to quantify these impacts and preferred to provide either a percentage increase or an anecdotal response (these responses are not included in the above table).

The total economic impacts of ITC operations are expected to be higher than those summarized here because of the respondents' difficulty in quantifying these impacts. Furthermore, only a sample of ITC clients was surveyed.

Since ITC has been capturing economic impacts, the following outcomes have been reported by clients (financial results in millions):

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	Total Impacts
Jobs created or saved	14	4	13	12	138	861	1,254	2,296
Increased sales	$5.7	$14.3	$17.3	$1.2	$2.3	$1.6	$12.0	$54.4
Increased investment	$1.6	$37.2	$2.1	$1.2	$35.0	$6.0	$3.5	$86.6
Cost savings	$4.0	$2.8	$1.3	$0.3		$0.6	$2.6	$11.6
Other financial impacts			$5.9	$3.7				$9.6
Customer satisfaction	74%	90%	100%	95%	94%	91%	94%	
Influence on client objectives	100%	100%	94%	91%	100%	99%	93%	

Financial results since becoming an SOA in FY 96/97 are as follows ($000s):

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03 projected	Total
Fee for service	1,311	1,451	1,665	1,926	2,165	2,255	2,009	1,810	
EDCA	1,143	1,043	905	887	851	765	750	750	
Savings to Government [1]		100	238	256	292	378	393	393	2,050

[1] Note: Savings to Government represents the reduction in EDCA funding as compared to the base year FY 1995/1996 (which is the year prior to becoming an SOA).

Projected Balance Sheet
As at March 31
(In Thousands)

	Actual 2002	Budget 2003	Budget 2004	Projection 2005	Projection 2006
Assets					
Current					
Cash and funds on deposit with Minister of Finance (Note 3)	$ 558	$ 654	$ 804	$ 745	$ 772
Accounts receivable	397	270	230	240	250
Prepaid expenses	26	20	22	22	22
	981	944	1,056	1,007	1,044
Due from Province of Manitoba (Note 5)	103	103	103	103	103
Capital assets (Notes 2 and 4)	848	658	559	679	768
	$ 1,932	$ 1,705	$ 1,718	$ 1,789	$ 1,915
Liabilities					
Current					
Accounts payable and accrued liabilities	$ 519	$ 290	$ 265	$ 265	$ 265
Severance liability (Note 5)	149	178	189	209	229
	668	468	454	474	494
Equity					
Contributed Equity (Note 6)	62	62	62	62	62
Retained Earnings	1,202	1,175	1,202	1,253	1,359
	1,264	1,237	1,264	1,315	1,421
	$ 1,932	$ 1,705	$ 1,718	$ 1,789	$ 1,915

Projected Statement of Earnings and Retained Earnings
For the Years Ended March 31

(In Thousands)	Actual 2002	Budget 2003	Budget 2004	Projection 2005	Projection 2006
Revenue					
Province of Manitoba	$ 750	$ 750	$ 750	$ 750	$ 750
Fee for service	2,009	1,953	1,535	1,528	1,617
Other	36	5	5	5	5
	2,795	2,708	2,290	2,283	2,372
Operating expenses					
Advertising and promotion	129	70	70	71	73
Amortization	120	181	172	180	211
Audit and legal	10	10	8	8	8
Bad debts	3	15	14	15	16
Building maintenance and repair	44	45	48	49	50
Computer	27	25	16	16	17
Equipment	48	40	57	58	60
Fees and memberships	20	25	21	27	17
Heat and utilities	33	37	35	36	36
Insurance	46	48	52	53	54
Library operations	36	39	30	31	31
Loss on disposal of capital assets	6	-	-	-	-
Office	63	59	62	62	62
Professional development	73	62	32	33	34
Project supplies and subcontract	37	79	74	75	77
Purchased services	35	10	10	10	10
Rent and property tax	87	112	121	122	123
Salaries and benefits	1,876	1,798	1,428	1,346	1,346
Travel	62	53	40	40	41
	2,755	2,708	2,290	2,232	2,266
Net earnings	40	-	-	51	106
Retained earnings at beginning of period	1,162	1,175	1,202	1,202	1,253
Retained earnings at end of period	$ 1,202	$ 1,175	$ 1,202	$ 1,253	$ 1,359

Projected Statement of Changes in Cash Resources
For the Years Ended March 31

(In Thousands)	Actual 2002	Budget 2003	Budget 2004	Projection 2005	Projection 2006
Cash derived from (applied to):					
Operating activities					
Net earnings	$ 40	$ -	$ -	$ 51	$ 106
Items not involving cash					
Amortization	120	181	172	180	211
Loss on disposal of capital assets	6	-	-	-	-
	166	181	172	231	317
Changes in non-cash working capital balances					
Accounts receivable	666	-	-	(10)	(10)
Prepaid expenses	(6)	-	-	-	-
Accounts payable	(533)				
Severance liability	11	20	20	20	20
	304	201	192	241	327
Investing activities					
Acquisition of capital assets	(615)	(14)	(54)	(300)	(300)
Net increase (decrease) in cash	(311)	187	138	(59)	27
Cash at beginning of period	869	467	666	804	745
Cash at end of period	$ 558	$ 654	$ 804	$ 745	$ 772
Represented by					
Cash and funds on deposit with Minister of Finance	$ 558	$ 654	$ 804	$ 745	$ 772
Working capital advance (Note 3)	-	-	-	-	-
	$ 558	$ 654	$ 804	$ 745	$ 772

Notes to the Projected Financial Statements
For the years ended March 31
(In Thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Energy, Science and Technology under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations and has access to a working capital loan. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Energy, Science and Technology defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write-off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	20%, straight-line

Notes to the Projected Financial Statements
For the years ended March 31
(In Thousands)

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300.

4. Capital Assets (Net Book Value)

	Actual 2002	Budget 2003	Budget 2004	Projection 2005	Projection 2006
Furniture and fixtures	$ 2	$ 2	$ 1	$ 1	$ 1
Equipment	500	595	340	474	560
Computer equipment and software	316	61	188	184	197
Leasehold improvements	30		30	20	10
	$ 848	**$658**	**$559**	**$679**	**$768**

5. Severance Pay Benefits

Effective April 1, 1998, ITC began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Industrial Technology Centre, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Industrial Technology Centre.

An actuarial valuation report of ITC's severance as at March 31, 2000 has been completed. The report provides a formula to update the liability on an annual basis. ITC's liability has been calculated in accordance with this formula.

6. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

Notes to the Projected Financial Statements
For the years ended March 31
(In Thousands)

7. Commitment

The Agency has entered into a lease agreement for rental of the facilities at 1329 Niakwa Road East, Winnipeg, Manitoba. The lease, expiring on March 31, 2005, requires future lease payments as follows:

2002	$ 91
2003	$ 91

This lease agreement may be terminated on March 31, 2004, at ITC's option.

8. Pension Liability

In accordance with the provisions of The Civil Service Superannuation Act, employees of ITC are required to contribute to the Civil Service Superannuation Fund at prescribed rates for defined benefits. ITC matches the employees' contributions to the Fund. Under this Act, ITC has no further pension liability.

9. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

PART 6

GLOSSARY

Cost Element

A cost element is a classification of expenditures according to the nature of expense such as salaries, supplies and services, etc., which identifies the object of expenditure out of appropriation funds. The government accounting system tracks expenditures according to the following cost element groups:

Cost Element Group	Components
Salaries	Regular Earnings, Other Earnings (overtime, shift premium), Ministers and Members of the Legislative Assembly, Fringe Benefits, Other (Worker's Compensation Allowance, Supplement), Health and Education Tax Levy, Benefit Chargeback.
Grants/Transfer Payments	Discretionary Grant, Nondiscretionary Grant, Transfer Payment, Valuation Allowance, Capital Grant.
Transportation	Vehicles, Aircraft, Other (taxi, bus, freight, rail), Travel Agency Fees, Freight/Courier.
Communication	Telephone, Electronic Communication Services, Postal Services, Advertising/Program Promotion, Radio Systems, Other.
Supplies and Services	Operating Supplies, Materials, Office Supplies, Maintenance, Other Services, Rentals, Professional Services, Utilities, Other Fees.
Public Debt	Credit/Debit Card Fees, Gain/Loss on Foreign Exchange, Interest on Debt, Discount on Debt, Amortization - Debt, Interest Charges, Other Charges.
Minor Capital	Land, Buildings, Vehicles, Machinery & Equipment, Computers, Furniture, Leasehold Improvements, Loss on Sale of an Asset, Amortization Expense.
Other Operating	Accommodations, Food and Beverage, Computer Related Charges, Insurance Costs, Publications, Allowances and Other Financial Compensation, Other Personnel Costs (relocation/transfer costs), Other Operating (membership fees, hospitality, employee training, uniforms, conference/convention registration fees, incidental allowances), Imputed Surcharges.
Financial Assistance and Related Costs	Consumables on Behalf of Citizens (Clothing, Food, Drugs), Fees and Services, Shelter, Transportation, Special needs, Direct Assistance Payments, indirect Assistance Payments.

Employee Benefits

Costs incurred by government for its contributions to the Employment Insurance Program, the Canada Pension Plan, the Group Life Insurance Plan and the Ambulance, Hospital Semi-Private Plan, as well as the payments made under the Dental Plan, the Long-Term Disability Plan and the Levy for Health & Post Secondary Education.

Estimates of Expenditure (Adjusted)

A re-alignment of the previous year's estimates of expenditure for any organizational change to provide for more accurate and realistic comparisons from one budget year to the next.

Full Time Equivalent (FTE)

A measurement for number of positions. Every full-time regular position represents one full-time equivalent position. Other categories (e.g. term, departmental, seasonal, contract) are measured in proportional equivalents, e.g., a program with a vote of 1.50 term FTE could hire staff in any combination that results in a total of 1□ (or 78 weeks) of employment (e.g. 6 staff for 3 months (13 weeks) each; 2 staff for 9 months (39 weeks) each; 1 full time and 1 half time staff for 1 year; 3 half time staff for 1 year, etc.)

Staff Categories
Managerial

Positions which have been delegated the authority and have the responsibility to plan, administer, and control the resources and activities of a defined organizational unit in the Manitoba Government and are directly and fully accountable for:

- the utilization of resources in achieving planned objectives including the development of a budget and the initiation and authorization of expenditures; and,
- the organization's results and impacts.

Professional/Technical

Employees who have duties that relate to specific areas of program operations requiring some functional specialization.

Included in this category are employees classified within the following components and/or series:

Education
Health
Legal, Inspection and Regulatory
Physical Sciences
Social Sciences
Trades, Operations and Services
Personnel Officer Series
Administration (with the exception of the Administrative Officer Series)
Engineers (O.P.E.E.P.M.)
Legal Aid Lawyers (L.A.L.A.)
Crown Attorneys (M.A.C.A.)
Doctors (M.M.A.)
L.A.M.C. Staff
Professional Officer Series

NOTE: Those employees designated as managers and also classified within one of the above components or the excluded component shall be categorized only once, as managerial.

Administrative Support

Employees who have duties related to the provision of support and assistance to program operations.

Included in this category are employees classified within the clerical component or the Administrative Officer series.

Staff Turnover Allowance

An adjustment made to a salaries account to allow for attrition and staff turnover. It is a negative adjustment to enable the organization to more accurately display salary requirements.